

Message Text

LIMITED OFFICIAL USE

PAGE 01 LIMA 09279 212117Z

64

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 CIAE-00 COME-00 DODE-00 FMC-04

INR-10 NSAE-00 RSC-01 CG-00 COA-02 DLOS-06 PM-07

NSC-10 SPC-03 SS-20 OMB-01 SCI-06 CEQ-02 SCEM-02

TRSE-00 INT-08 FPC-01 AGR-20 SIL-01 LAB-06 DRC-01

/139 W

----- 073060

P 212052Z DEC 73

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 8209

LIMITED OFFICIAL USE LIMA 9279

E.O. 11652: N/A

TAGS: ETRN, ENRG, PE

SUBJ: INCREASED PRICES FOR BUNKER FUELS

REF: STATE 247816

1. EMBOFF DISCUSSED PRICING OF BUNKER FUEL WITH TECHNICAL
LEVEL PETROPERU OFFICIAL WHO CONFIRMED PRICE STRUCTURE AS
DESCRIBED REFTTEL.

2. RATIONALE IS THAT SALE OF BUNKER FUEL TO FOREIGN FLAGG VESSELS
CONSIDERED AS EXPORT SALE AND MADE AT PREVAILING WORLD MARKET
PRICES FOR SIMILAR PETROLEUM PRODUCTS. IN PERU THIS PRACTICE
GOING ON FOR SEVERAL YEARS ALTHOUGH RECENT WORLD PRICE INCREASES
HAVE MADE DIFFERENTIAL QUITE LARGE. SALE SOT PERUVIAN FLAG
SHIPS MADE AT SUBSIDIZED PRICE DUE TO GOVERNMENT POLICY NOT TO
PASS ON INCREASES IN PETROLEUM PRICES TO PERUVIAN CONSUMERS (MOST
FUEL PRICES IN PERU WELL BELOW COMPARABLE PRICES ELSEWHERE AND
GOVERNMENT TAKING LARGE LOSSES ON SALES SINCE PART OF CRUDE
PETROLEUM REQUIREMENT ARE IMPORTED.)

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LIMA 09279 212117Z

3. ACCORDING TO PETROPERU OFFICIAL THIS DIFFERENTIAL PRICE

SYSTEM QUITE COMMON IN AREA. HE STATED PER CHARGING LESS THAN SOME OTHER COUNTRIES INCLUDING U.S. WHERE HE STATED LATEST SPOT PRICE BUNKER C IS \$25 PER BARREL. ALL NON-PERUVIAN VESSELS CHARGED SAME PRICE.

4. EMBOFF EXPLAINED U.S. USING NON DISCRIMINATORY DISTRIBUTION POLICY AND THAT U.S. PRICE IS SAME FOR ALL SHIPS. CLEAR, HOWEVER, THAT PETROPERU CONSIDERS THAT IT HAS NO OBLIGATION SUBSIDIZE FOREIGN VESSELS OR CHANGE POLICY IN EXISTANCE FOR SEVERAL YEARS.

5. LOCAL GRACE-PRUDENTIAL REPRESENTATIVE CONFIRMED LONG- STANDING NATURE OF PRICE DIFFERENTIAL AND ALSO CONFIRMED NON-DISCRIMINATORY APPLICATION TO ALL FOREIGN-FLAG VESSELS INCLUDING THOSE FROM NEIGHBORING COUNTRIES AND ANDEAN PACT COUNTRIES. PRICE DIFFERENTIAL DOES NOT REPEAT NOT APPEAR TO BE DESIGNED AS FUEL ALLOCATION MEASURE.
BELCHER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 21 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973LIMA09279
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731211/aaaaahrs.tel
Line Count: 79
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: STATE 247816
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 24 JAN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24-Jan-2002 by martinjw>; APPROVED <13 FEB 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INCREASED PRICES FOR BUNKER FUELS
TAGS: ETRN, ENRG, PE
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005